

CASE 2380: Appli. of CONSOLIDATED
O & G for a non-standard gas
proration unit. (Segal Well #1-9)

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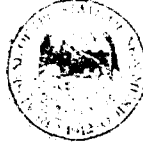
2380

Application, Transcript,
all Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

September 22, 1961

Mr. Jason Kellahin
Kellahin & Fox
P. O. Box 1713
Santa Fe, New Mexico

Re: Case No. 2380
Order No. R-2067
Applicant:
Consolidated Oil & Gas, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2380
Order No. R-2067

APPLICATION OF CONSOLIDATED OIL
& GAS, INC. FOR A 320-ACRE NON-
STANDARD GAS PRORATION UNIT IN
THE BASIN-DAKOTA AND THE BLANCO-
MESAVERTHE POOLS, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 20, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of September, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Consolidated Oil & Gas, Inc., is the owner and operator of the NE/4 of Section 9, and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, which applicant proposes be established as a 320-acre non-standard gas proration unit in the Basin-Dakota and the Blanco-Mesaverde Pools.
- (3) That the applicant proposes to drill and operate the Wilmerding Well No. 1-9, to be located at an orthodox location in the NE/4 NE/4 of Section 9, to which well the proposed 320-acre non-standard gas proration unit is to be dedicated.
- (4) That the proposed 320-acre non-standard proration unit can reasonably be presumed to be productive of gas from the Basin-Dakota and the Blanco-Mesaverde Pools.

-2-

CASE No. 2380
Order No. R-2067

(5) That establishment of the above-described non-standard gas proration unit will not cause waste.

(6) That establishment of the above-described non-standard gas proration unit will not impair correlative rights inasmuch as a companion non-standard gas proration unit comprising the SE/4 of Section 9, and the SW/4 of Section 10 could be formed upon the communitization of said acreage.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Basin-Dakota and the Blanco-Mesaverde Pools consisting of the NE/4 of Section 9, and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, is hereby established. Said unit is to be dedicated to the applicant's proposed Wilmerding Well No. 1-9, to be located at an orthodox location in the NE/4 NE/4 of Section 9.


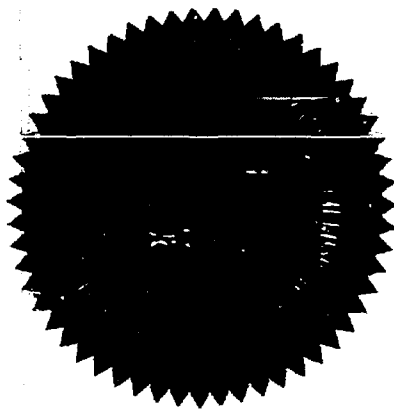
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member
A. L. PORTER, Jr., Member & Secretary

esr/

OTI CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9/21

CASE 2380 Hearing Date 9 am 9/20
2320 SE

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving a
non-std Basin Dak unit
for Consolidated comprising
the NE/4 Sec 9 + NW/4 Sec 10
T 21 N, R 13 W, S. J. Co, NM.

Include among findings
that no correlation rights
will be impaired inasmuch
as a companion non-std
unit comprising the SE/4 Sec 9
+ SW/4 Sec 10 could be formed
upon communitization of subject
acreage

Handwritten Signature
2320 SE

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION }
OF CONSOLIDATED OIL & GAS, INC., }
FOR AN ORDER ESTABLISHING A NON- }
STANDARD 320-ACRE PRORATION UNIT }
IN THE BLANCO MESAVERDE AND BASIN }
DAKOTA POOLS }

CASE NO.
5280

APPLICATION

TO THE HONORABLE COMMISSION:

Comes now Consolidated Oil & Gas, Inc., 2112 Tower Building,
1700 Broadway, Denver 2, Colorado, hereinafter referred to as "Ap-
plicant," and alleges and states as follows:

I.

Applicant is a Colorado corporation with a permit to do business
in the State of New Mexico.

II.

Applicant has developed and will continue to develop various lands
and leases by the drilling of oil and gas wells in the State of New Mexico.

III.

Applicant is the owner of or has the right to acquire the following-
described oil and gas leases covering lands in the Blanco Mesaverde and
Basin Dakota pools, which leases are indicated in orange on the plat
attached hereto as Exhibit A:

TRACT NO. 1

Lease No. 1

Lessor:	Glenn A. Hopkins, et ux
Lessee:	C. L. Collins, et al
Date of Lease:	May 31, 1951
Recorded:	Book 158, page 103 San Juan County, New Mexico

[Handwritten signatures and initials]

Lease No. 2

Lessor: Ethel Louise Cardon, as Guardian
Lessee: Dan W. Johnston
Date of Lease: March 14, 1958
Recorded: Book 367, page 98
San Juan County, New Mexico

Lease No. 3

Lessor: Ethel Louise Cardon, et vir
Lessee: Dan W. Johnston
Date of Lease: March 14, 1958
Recorded: Book 367, page 100,

insofar as said leases cover the following-
described land in San Juan County, New
Mexico:

Township 31 North, Range 13 West, NMPM
Section 9: N/2 NE/4
Section 10: NW/4 NW/4

TRACT NO. 2

Lease No. 1

Lessor: Kenneth Washburn, et ux
Lessee: Southern Union Gas Company
Date of Lease: June 28, 1956
Recorded: Book 310, page 106

insofar as said lease covers the following-
described land in San Juan County, New
Mexico:

Township 31 North, Range 13 West, NMPM
Section 9: S/2 NE/4
Section 10: S/2 NW/4, NE/4 NW/4

IV.

Texas National Petroleum Company, of Houston, Texas, is the
owner of certain oil and gas leases indicated in blue on the plat attached
hereto as Exhibit A covering the following-described lands in the Blanco
Mesaverde and Basin Dakota pools:

Township 31 North, Range 13 West, NMPM
Section 9: S/2 SE/4
Section 10: S/2 SW/4
San Juan County, New Mexico

V.

This application seeks an order establishing a nonstandard 320-acre gas proration unit in the Blanco Mesaverde and Basin Dakota pools consisting of Tracts 1 and 2, described above, and indicated in orange on the plat attached hereto as Exhibit A, hereinafter referred to as the "proposed unit." Applicant, as Operator, desires to drill a test well on a portion of the proposed unit to be located in the NE/4 NE/4 of said Section 9. It is contemplated at this time that the well will be completed in the Mesaverde and Dakota formations underlying the proposed unit.

VI.

Prior to this application, Applicant has made a diligent effort to obtain the voluntary agreement of Texas National Petroleum Company to (1) pool or unitize their oil and gas leases, or (2) farmout their oil and gas leases to Applicant, or (3) to sell their oil and gas leases to Applicant at a fair and reasonable consideration in order that two standard 320-acre proration units might be formed consisting of the E/2 of said Section 9 and the W/2 of said Section 10, in conformity with the rules and regulations of the Oil Conservation Commission of the State of New Mexico. These efforts commenced on or about May 1, 1961, and have continued until immediately prior to the filing of this application. Despite these efforts, Texas National Petroleum Company has refused to enter into any type of satisfactory arrangement whereby their oil and gas leases might be committed to the formation of the aforementioned standard units. Unless the proposed unit is approved, the rights of the other interested parties involved will be prejudiced, including those of Applicant, who has executed a farmout agreement with Pan American Petroleum Corporation, dated March 21, 1961, covering, among other

lands, Tract No. 1, above-described, which farmout agreement requires the continuous development of the acreage involved by the drilling of test wells in ninety-day intervals. Unless Applicant is able to continue its drilling program as provided in said farmout agreement, Applicant will lose its right to earn an assignment of the undeveloped acreage. Further, the relief sought in this application is necessary for the prevention of waste and, as indicated above, to protect and enforce the correlative rights of all interest holders in said proposed unit.

VII.

Applicant is the owner of additional acreage and is the operator of other 320-acre drilling units in this same area, two of which units consist of the W/2 of Section 9 and the E/2 of Section 10 contiguous to the proposed unit. The aforementioned acreage and 320-acre drilling units are indicated in yellow on the plat attached as Exhibit A.

VIII.

The Commission has jurisdiction to hear and determine this cause;

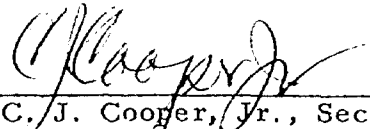
WHEREFORE, Applicant respectfully requests:

That this matter be set for hearing before the Commission as soon as possible, since, as indicated above, Applicant will lose its rights to a portion of the acreage involved unless its drilling program continues as provided in the aforementioned farmout agreement with Pan American Petroleum Corporation; and

That, upon due notice and hearing, the Commission issue its order establishing a proration unit of 320 acres in the Blanco Mesaverde and Basin Dakota pools, consisting of the NE/4 of Section 9 and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

Respectfully submitted this 23rd day of August, 1961.

ATTEST:


C. J. Cooper, Jr., Secretary

CONSOLIDATED OIL & GAS, INC.

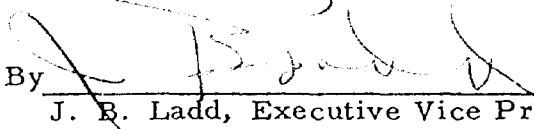
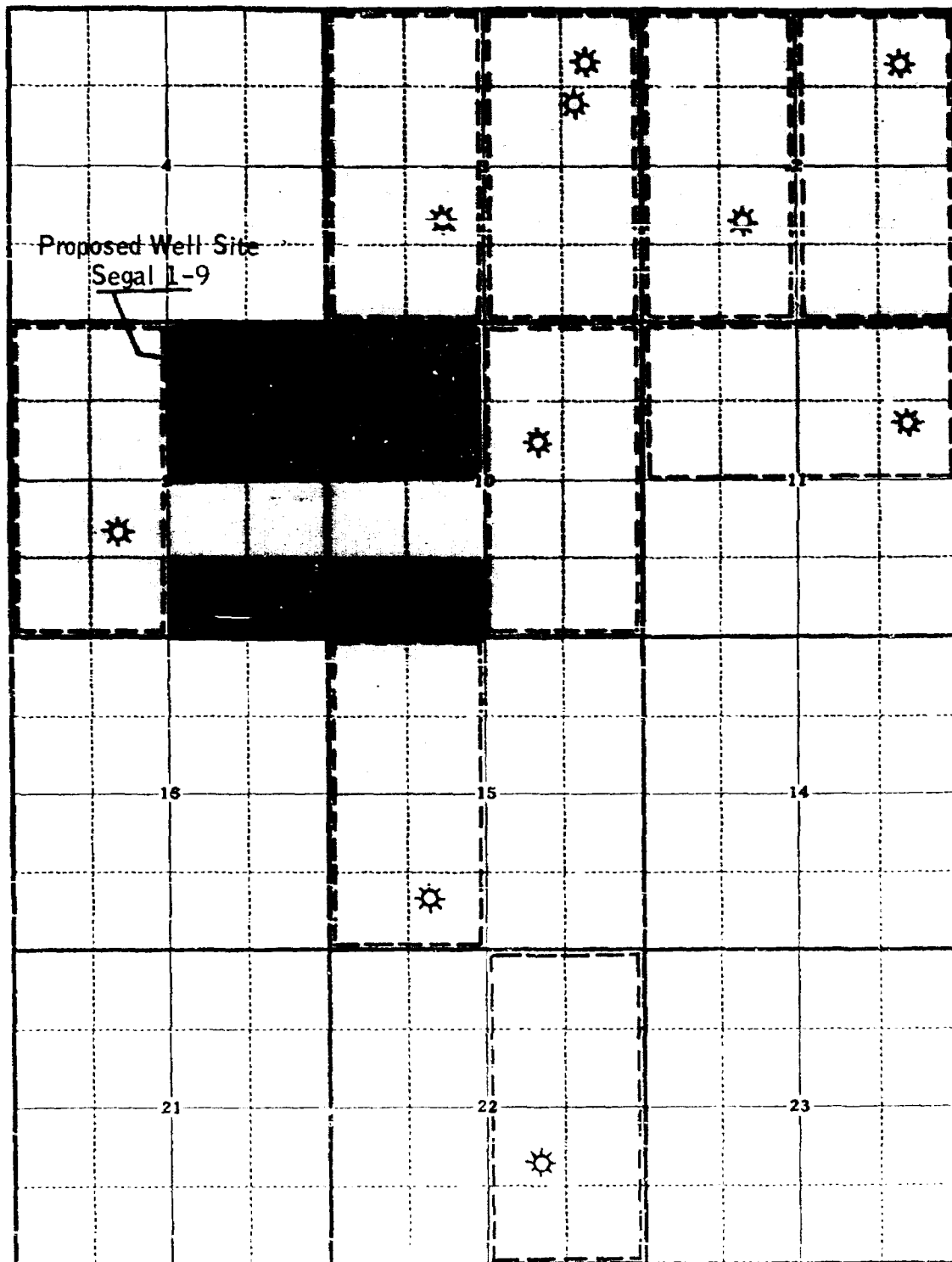
By 
J. B. Ladd, Executive Vice Pres.

EXHIBIT A

Township 31 NORTH, Range 13 WEST,

County SAN JUAN, State NEW MEXICO



LEGEND

- Proposed unit
- Acresage under lease to Texas National Petroleum Company
- Acresage under lease to or operated by Consolidated Oil & Gas, Inc.
- 320-acre units operated by Consolidated Oil & Gas, Inc.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 20, 1961

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

- CASE 2376: Application of the Oil Conservation Commission on its own motion to abolish certain portions of the San Simon and Wilson Pools in Lea County, New Mexico; to create a new pool for oil production in Township 21 South, Range 35 East, to be designated the North San Simon-Yates Pool; and to establish a limiting gas-oil ratio for said North San Simon-Yates Pool.
- CASE 2377: Application of N. R. Williamson for a waterflood project in the Seven Lakes Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Seven Lakes Pool in Sections 18 and 19, Township 18 North, Range 10 West, McKinley County, New Mexico. Applicant further seeks the establishment of procedures for obtaining administrative approval of extensions to the proposed waterflood project.
- CASE 2378: Application of The Atlantic Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Carlson Federal "A" Well No. 2, located in Unit J, Section 23, Township 25 South Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Paddock, Blinebry and Tubb Drinkard Pools, the production of oil from each pool to be through parallel strings of 2-inch tubing.
- CASE 2379: Application of The Atlantic Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Langlie Federal Well No. 2, located in the NW/4 SE/4 of Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, as an oil-oil-oil triple completion in an undesignated Paddock Pool and in the Justis-Blinebry and Justis Tubb-Drinkard Pools.

- CASE 2380: Application of Consolidated Oil & Gas, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Blanco Mesaverde and Basin Dakota Gas Pools comprising the NE/4 of Section 9, and the NW/4 of Section 10, all in Township 31 North, Range 13 West, San Juan County, New Mexico. Said unit is to be dedicated to applicant's ~~Segal~~ Well No. 1-9, located in the NE/4 NE/4 of said Section 9.)
- CASE 2381: Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico. *Wilmington*
- CASE 2382: Application of Morris R. Antweil for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 230.95-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of Lot 4 in Section 1, and Lots 1, 2, 3, 7 and 8 in Section 2, all in Township 21 South, Range 35 East, Lea County, New Mexico. Said unit is to be dedicated to applicant's L. W. White Well No. 1, located in the NE/4 NE/4 of said Section 2.
- CASE 2383: Application of C. H. Sweet Oil Company for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the oil produced from applicant's McKinley "B" lease, located in the SE/4 NE/4 of Section 20, Township 18 South, Range 38 East, Lea County, New Mexico, to be transported, prior to measurement on said McKinley "B" lease, to applicant's Grimes lease located in the NE/4 SE/4 of said Section 20.
- CASE 2384: Application of General American Oil Company of Texas, for an exception to Rule 309-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the Loco Hills oil production from applicant's State Lease B-1778, located in Section 36, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, to be transported, prior to measurement on said State Lease B-1778, to applicant's Federal Lease LC 060520, located in Section 31, Township 17 South, Range 30 East.

CASE 2385: Application of Texaco Inc. for a unit agreement and for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Lovington Unit Agreement, covering 2,472 acres, more or less, in Townships 16 and 17 South, Range 36 East, Lea County, New Mexico. Applicant further seeks authority to institute a pool-wide waterflood in the West Lovington Pool by the injection of water into the San Andres formation through 18 wells in Sections 3, 4, 5, 6, 7, 8, and 9, Township 17 South, Range 36 East.

CASE 2386: Application of Continental Oil Company for the establishment of two non-standard oil proration units in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Empire-Abo Pool described as follows:

(1) Lot 2 and the Southernmost 12.06 acres in Lot 1, Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, comprising 40 acres. Applicant proposes to dedicate said unit to its State S-30 Well No. 1, 2310 feet from the North line and 330 feet from the West line of said Section 30.

(2) Lot 3 and the Northernmost 11.83 acres of Lot 4, all in said Section 30, comprising 40 acres. Applicant proposes to dedicate said unit to its State S-30 Well No. 3, to be drilled at a standard location in said unit.

CASE 2387: Application of Continental Oil Company for permission to dispose of salt water, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of produced salt water from the Anderson Ranch Wolfcamp Pool into the Wolfcamp formation through its Anderson Ranch Unit Well No. 8, located 1980 feet from the South line and 660 feet from the East line of Section 11, Township 16 South, Range 32 East, Lea County, New Mexico.

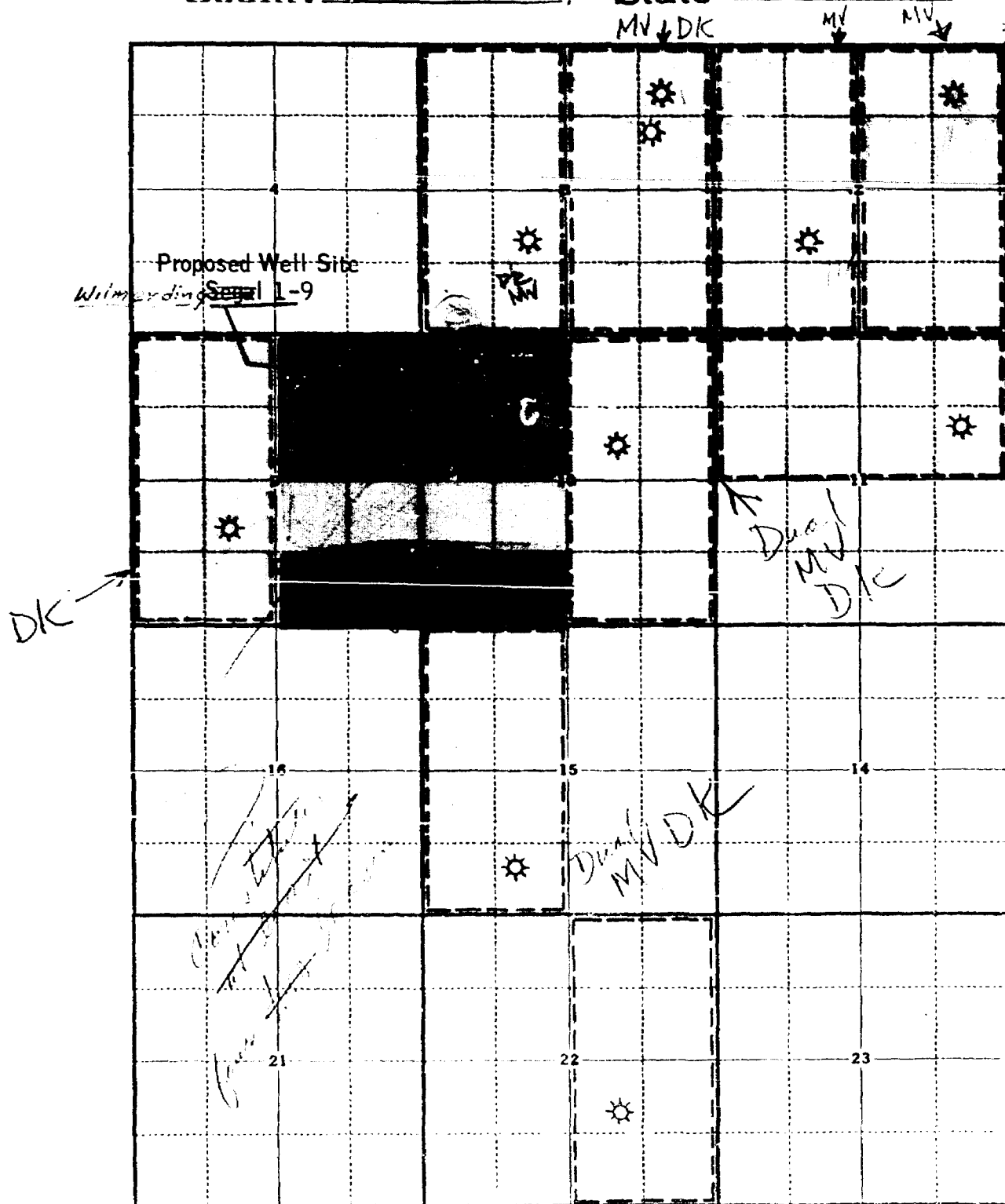
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EXHIBIT A

Township 31 NORTH, Range 13 WEST

County SAN JUAN

State NEW MEXICO



LEGEND

- Proposed unit
- Acres under lease to Texas National Petroleum Company
- Acres under lease to or operated by Consolidated Oil & Gas, Inc.
- 320-acre units operated by Consolidated Oil & Gas, Inc.

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 100

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

CASE 2380

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



OFFICE OF THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Consolidated Oil & Gas, Inc., for a
non-standard gas proration unit, San Juan County,
New Mexico. Applicant, in the above-styled cause,
seeks the establishment of a 320-acre non-standard
gas proration unit in the Blanco Mesaverte and Basin
Dakota Gas Pools comprising the NE/4 of Section 9,
and the NW/4 of Section 10, all in Township 31 North,
Range 13 West, San Juan County, New Mexico. Said
unit is to be dedicated to applicant's Segal Well No.
1-9, located in the NE/4 NE/4 of said Section 9.

) Case
) 2380

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 2380.

MR. MORRIS: Application of Consolidated Oil & Gas, Inc.
for a non-standard gas proration unit, San Juan County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, represent-
ing the applicant. We will have one witness I would like to have
sworn.

(Witness sworn.)

J. R. LADD

called as a witness, having been first duly sworn, testified as
follows:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A J. B. Ladd.

Q By whom are you employed, and in what position, Mr. Ladd?

A Consolidated Oil & Gas, Inc. as executive vice-president.

Q Mr. Ladd, in your capacity as executive vice-president, have you had any contact with the background and information concerned in Case 2380?

A Yes, sir. I am intimately familiar with it.

Q Did you handle the negotiations in regard to the subject matter of this case?

A Yes, sir.

MR. KELLAHIN: We would like to have this marked as Exhibit No. 1 and, if the Examiner please, this exhibit is identical to the exhibit attached to the application with the exception of the designation of the well, which we will cover, and, therefore, we have only one copy.

Q Now, you are referring to what has been marked as Exhibit No. 1, Mr. Ladd. Would you discuss the situation in regard to the leases in that area?

A This exhibit depicts a portion of Township 31 North, Range 13 West, San Juan County, New Mexico, an area in which Consolidated has been quite active in developing gas production from both the Blanco Mesaverde and Basin Dakota Gas Pools. We have reflected



several dual completions in that area as well as single completions in either of those zones.

Q How is the lease ownership depicted on the exhibit?

A Consolidated acreage is depicted by the yellow designation; the Texas Natural Petroleum Company has acreage which is of interest in this case as shown by the blue indications representing the S/2 of the SE/4 of Section 9 and the S/2 of the SW/4 of Section 10.

Q And the proposed unit is shown in an orange color, is that correct?

A That's correct.

Q On the exhibit which was filed, the designation of the well was given as the Segal Well No. 1-9. Is that a correct designation?

A No, the correct designation of that well would be the Wilmerding No. 1-9.

Q The orange-colored acreage, does that constitute one lease?

A No, that constitutes at least two leases.

Q Why do you say "at least two" leases?

A I don't recall.

Q Actually it constitutes three leases as shown by the application, does it not?

A I believe it would be four leases: Tract No. 3, three leases, Tract No. 2 -- both of them being indicated by the plot as covered by one lease.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Q Have these leases been communitized for production?

A No, they have not. We stand ready to do that immediately upon approval of that non-standard unit.

Q Have you made any efforts to form a standard unit, Mr. Ladd?

A Yes, we have quite diligently pursued this with Texas National, who would be the other working interest participant in both the W/2 of Section 10 and the E/2 of Section 9, where we have proposed to drill dual Mesaverde-Dakota development oils. Texas National has denied any interest in participating directly as a working interest participant. Their acreage is burdened quite extensively, we believe, in that it carries a 17-1/2% overriding royalty in addition to 12-1/2% land owners' royalty. This overriding royalty interest reverts to a working interest participation after recovery by the lessee of any drilling, completion and operating costs, which we consider to be a further negative burden. We have attempted to secure a farm-out of this acreage, but have been unable to agree to any terms that we consider reasonable. Basically, they want at least a five percent override royalty interest reserved to Texas National in addition to the 17-1/2% previously reserved by others, which would have the net effect of allowing the operator only 65% of total production. We have attempted to purchase the acreage outright and assume Texas National's position as lessee. We have been unsuccessful in effecting any reasonable negotiation here. In fact, the acreage has



been offered to us only as a part of a larger package of acreage which they wish to dispose of as a group. Specifically, they offered the acreage to us for something on the order of \$100 an acre with additional overriding royalty burdens on it. We considered this to be uneconomic.

Q In the event this application is approved, do you stand ready and willing to communitize with Texas National in regard to the southern portion of the lands involved?

A Yes, sir, we would be ready to develop that land at a month's notice.

Q Then, no land in the area would be left without a unit in which a well could be dedicated?

A No, as shown by the plat, Consolidated controls the E/2 of the SW/4 of Section 10 and the W/2 of the SW/4 of Section 9. That acreage is held by production, insofar as Consolidated is concerned.

Q Are the wells located in this area completed in more than one zone?

A We failed to indicate the zones on this exhibit. I could point out that both wells in Section 2 are Mesaverde wells; the well in the W/2 of Section 3 is a dual well.

Q In what zones?

A The Dakota-Mesaverde. One well in the NE/4 of Section 3 is a Mesaverde well, the other is a Dakota. The well in the E/2 of 11, the E/2 of 10, the W/2 of 15, are dual Mesaverde-Dakota

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

producers. The wells in the 1/2 of 9 and 2/3 of 22 are Tipton single zone producers. We propose to drill at the indicated well site, which would be in line with the normal geometric development pattern for both reservoirs.

Q And you would dedicate the unit to production from both reservoirs if this is approved?

A Yes, sir.

Q Do you have any lease expirations confronting you in regard to this unit?

A Yes, we do. Tract No. 1, which consists of 120 acres, as outlined on the exhibit in our proposed unorthodox unit, or non-standard unit, would expire so far as any rights to Consolidated, in about 30 days. We had a 90-day development clause with Pan American.

MR. NUTTER: Is that in addition to the 30 days, or the 30 days is the final?

A Thirty days now would see the expiration of the 90-day period.

MR. NUTTER: That is the tailend of the 90-day period?

A Yes.

Q (By Mr. Kellahin) Is the other acreage held by production?

A Yes.

Q Was Exhibit No. 1 prepared by you, or under your supervision?

A Yes.



MR. KELLAHIN: I would like at this time to offer in evidence Exhibit No. 1.

MR. NUTTER: Applicant's Exhibit No. 1 will be admitted in evidence.

Q (By Mr. Kellahin) Do you have anything to add to your testimony?

A I would like to point out that we have informed Texas National of this action in attempting to form a non-standard unit. Verbally they voiced no objection. They also indicated that their acreage has some three years to run, so we wish to point out that if this non-standard unit were not approved there could be a considerable period of time before either the E/2 of 9 or W/2 of 10 could be developed. That is all I have to offer.

MR. KELLAHIN: That is all the questions we have, Mr. Nutter.

MR. NUTTER: Does anyone have any questions of Mr. Ladd?

CROSS EXAMINATION

BY MR. NUTTER:

Q I missed the formations that some of these wells are completed in. The two wells in the E/2 of Section 3 are single completions in the Mesaverde and Dakota, correct?

A Yes, one in each. Let me point out that the southernmost well you see in the NE/4 is a well in which we have just set casing and are now physically completing as a Dakota well.

Q And the well in the SW of 3 is a dual?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6191

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Correct.

Q The well in the S/4 of 9?

A Single in the Dakota.

Q And the well in the E/2 of 10 is a dual, and the well in the S/2 of 15 is a dual?

A Correct.

Q And Consolidated would be willing to communitize the SW/2 of 10 and the SE of 9 to form a companion non-standard unit in the event that it is feasible with Texas National?

A Yes, sir. The documentations are already completed.

MR. NUTTER: Does anyone have any further questions of Mr. Ladd? He may be excused.

MR. KELLAHIN: That is all I have.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 2380? Take the case under advisement.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

ss

I, JUNE PAIGE, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 30th day of September, 1961.

June Paige
Notary Public - Court Reporter

My commission expires:

May 11, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2380 heard by me on 9/20, 1961.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4691

ALBUQUERQUE, NEW MEXICO

I. I. D. E. X.

WITNESS

J. B. LADD
Direct Examination by Mr. Kellahin
Cross Examination by Mr. Nutter

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EXHIBITS

IDENTIFIED

ADMITTED

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